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SUBJECT: EGYPT STEPS FORWARD ON U.S. BONE-IN BEEF

¶1. (SBU) SUMMARY Egypt has offered to expand access for U.S. beef products by adding bone-in beef from animals less than 30 months of age to the eligible product list. Currently, Egypt only permits imports of U.S. boneless beef and variety meats from animals less than 30 months of age. While this expands U.S. beef market access, it does not meet OIE (World Animal Health Organization) guidelines which permit the import from controlled risk countries of all cuts of meat from cattle of all ages with removal of specified risk materials (SRMs). Egypt's Chief Veterinary Officer (CVO) has indicated a need to confirm U.S. practices on removal of specified risk materials from cattle over 30 months of age in line with OIE guidelines. For the U.S. part, we will need to confirm that Egypt is prepared to recognize Food Safety Inspection Service (FSIS) regulations relative to SRM-removal practices. As part of a previously-scheduled trip to the United States to attend the Atlanta Poultry Exposition, the Egyptian CVO has agreed to meet with USDA officials in Washington on February 2 to discuss a pathway to full implementation of OIE guidelines, which would allow importation of all beef and beef products with no age restriction. FAS Egypt seeks Washington agency guidance on how to proceed on this visit. END SUMMARY

¶2. (SBU) On November 15, Egypt's Chief Veterinary Officer informed FAS/Cairo by fax that the General Organization for Veterinary Services (GOVS) had approved the importation of bone-in beef from the United States from cattle under 30 months of age, recognizing our controlled risk status for BSE (Bovine Spongiform Encephalopathy).

¶3. (SBU) In discussions over the past two months, the CVO has stated a willingness to remove the age restriction in the coming months based on an improved understanding of the handling of SRMs in U.S. meat packing plants under USDA Food Safety Inspection Service oversight. Senior GOVS officials have had the opportunity to review information provided by FAS/W on SRMs based on the age of cattle. They appear satisfied that FSIS requirements are in line with OIE guidelines, but believe that they need to confirm that in-plant procedures are effective in the removal of SRMs, especially from cattle OTM. (NOTE: Currently Egypt requires the removal of a more extensive list of SRMs from UTM cattle than those required under OIE guidelines. This would have to change in order for Egypt to be consistent with the OIE guidelines. To be consistent with the Korea agreement on beef, as noted by FAS Washington, Egypt also would have to recognize FSIS regulations relative to SRM-removal. END NOTE)

¶4. (SBU) Egypt's willingness to consider expanded beef access is in response to FAS Cairo's letter of October 19 requesting access for all cuts from all ages of cattle, in addition to FAS/Cairo spearheading the issue over the past year with the CVO and his senior staff. The final push to expand beef access likely came from Minister of Agriculture and Land Reclamation Amin Abaza himself, following his visit to the United States during October 8-16, 2009. Bone-in beef shipments to Egypt could generate an additional \$5 million in annual exports. U.S. boneless beef exports should exceed \$22 million in 2009, a five-fold increase over 2008, as U.S. beef is increasingly competitive with other sources. Adding bone-in beef to

our lineup, will spur significant additional sales according to importers.

¶ 15. (SBU) One issue that has arisen in discussions of import requirements for bone-in beef is that GOVS envisions requiring an Egyptian veterinary committee to observe the slaughter for each shipment, at the importer's expense. GOVS does not require this of U.S. boneless beef and variety meat shipments, but does require it for all other countries shipping meat and poultry to Egypt. The original requirement arose because of problems with beef/buffalo meat shipments from India and Brazil in 2002. U.S. beef was not subject to this requirement because of our strong meat food safety system. FAS/Cairo has informed GOVS that USDA would not agree to shipment by shipment inspection, but could support, as part of a validation audit, a visit to one or more U.S. plants to confirm the handling of SRMs.

¶ 16. (SBU) The Government of Egypt is also very sensitive to food safety issues, where they have come under fire from legislators and the press, including recent concerns over the food safety of imported wheat. Minister Abaza wants to make sure his technical staff is confident of U.S. practices on SRMs before moving forward to allowing beef imports fully consistent with the OIE guidelines.

¶ 17. (SBU) FAS Cairo plans to meet with the CVO and his senior staff before his travel to the United States to further explore these beef market access-related issues. In preparation for this meeting, FAS/W guidance on laying-out a possible roadmap to full beef access would be greatly appreciated in order to establish expectations for his trip both in Cairo and in Washington.

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